

**SUMMARY OF ADDITIONAL REQUIREMENT  
FOR OWNERS OF DESERT BREEZE I AND II**

**I. Lien** – Total amount of \$199,120.00. Lien release to be immediately provided to owner upon payment to the City of four (4) equal payments of \$32,280.00 on June 1, 2007, July 2, 2007, August 1, 2007 and September 4, 2007, in accordance with the Confession of Judgment dated 5/16/07.

**II. Conditions During Occupancy** – (As of 5/15/07 8 or 9 units remain occupied - all are under 5 Day Pay or Quit Notices per owners attorney)

A. City will conduct weekly inspections for habitability and life safety issues until last tenant has moved out.

B. The owner will provide the City with a weekly report and a summary of court proceedings, including all supporting documentation concerning the status of each unit and tenant until all units are vacated. All tenants will be out no later than 6/11/07.

C. The owner will board all vacant units according to City standards in both Desert Breeze I and II no later than 5/18/07. As the remaining units are vacated they will be boarded within 24 hours.

D. The owner will provide photo or other identification acceptable to the City for all remaining individuals living at either property. This is to ensure the City knows who should and should not be on the properties.

**III. Conditions Once Property Vacated**

A. Property owner will ensure all units are boarded according City standards. The owner will also provide a fence around both properties.

B. If necessary, the owner will provide additional security at the property as determined by Metro which may include 24 hour security guards.

C. The owner shall prominently post no trespassing signs at Desert Breeze I and II.

D. The owner shall be required to comply with the City's Vacant Building Code (LVMC 16.31 et. seq.) until the buildings have been demolished at the property.

Submitted at City Council

Date 5/16/07 Item 86-87



# MEMORANDUM

Patricia K. Pate  
Director

## Social Service Department

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**TO:** Dr. Lisa Morris, Asst. Director, City of Las Vegas Neighborhood Service Dpt.  
**FROM:** Tim Burch, CCSS Manager  
**DATE:** May 16, 2007  
**SUBJECT:** Desert Breeze/Moulin Rouge

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Dr. Morris,

This memo will outline the efforts of Clark County Social Service (CCSS) to assist the residents of the Desert Breeze I/II site. Over 100 staff hours were committed onsite to educate, screen, and assist residents in qualifying for funding through various sources available through CCSS and local community service provider agencies.

CCSS staff made their initial contact at Desert Breeze on Friday, April 6, 2007. The master list provided by the Desert Breeze management showed a total of 47 units known to be occupied at that time. On that date, residents of 29 units were contacted, and initial assessments were conducted regarding their potential eligibility for various types of assistance. Of these initial contacts, only three individuals, all single working persons, were found to be ineligible for any assistance from either CCSS or other community agencies.

Subsequently, staff made five more visits to Desert Breeze, and contacted additional residents. In addition to the site visits, all units believed to be occupied were door-tagged with hangers giving a phone number to call for relocation assistance information. Copies were left with the on-site manager to distribute to residents who may have been missed during the initial site visit.

Six (6) families were initially identified as meeting the criteria and available Welfare Set Aside Program (WSAP) dollars through CCSS and were targeted for follow-up. All six families have successfully relocated. Eighteen (18) units, primarily single person households, were referred to Help of Southern Nevada (HELP) for (WSAP) funds to assist with move-in and utility deposits. It is unclear how many of the 18 single person households successfully followed up on locating a place to live, processing the necessary documents with HELP, and actually received checks.

Each visit turned up more residents that were not on the original list and not listed on any official manifest. Subsequent visits yielded more referrals for basic services and relocation assistance. Antidotal reports from social workers state that 10 of the most service resistant clients from initial contact remained onsite along with approximately 10 or more "squatters" during their last visit on May 4, 2007. A list of sixteen (16) units unable to be contacted to determine eligibility or need for relocation assistance was provided to the onsite management on May 3, 2007 in a meeting with the Regional Homeless Coordinator, Shannon West.

Working with the Regional Homeless Coordinator and the City of Las Vegas in this fashion to prevent homelessness was a most valuable experience. As an agency we recognize the need for prevention and intervention services to address the growing problem and thank you for including us a part of your official strategy in addressing the closing of this property and the needs of its residents.

Submitted at City Council

Date 5/16/07 Item 86887

# **Narrative**

## **DESERT BREEZE I**

*920 W. Bonanza Road*

On September 12, 2006, the city of Las Vegas, Neighborhood Service Department, Neighborhood Response Division received a complaint from a tenant regarding the deplorable living conditions at the Desert Breeze Apartments. In response to the complaint, Combination Inspectors and Code Enforcement Officers, herein referred to as staff, conducted inspections at this location to identify, detect or otherwise resolve certain issues. The Clark County Health Department and the city of Las Vegas Fire Department were also present during the inspections. Upon inspecting the property, multiple code violations were identified including health and safety issues which required immediate attention.

The property's living conditions did not meet the minimal livable standards and many of the units were deemed substandard. Minimal standards include adequate and operable electrical devices, plumbing and smoke detectors to ensure safe and habitable living conditions. The staff observed a blockage in the sewer main allowing fecal matter and water with effluents to backup in the courtyard and some of the units, causing unsanitary conditions. Several units were infested with insects and vermin, such as roaches, bed bugs, and/or rodents. Toilets, sinks, and tubs were inoperable in several of the units preventing tenants from accessing running water. Furthermore, some units were without heat and air conditioning.

On October 11, 2007, staff received a letter from MRDC acknowledging the violations and the timetable for correction. The MRDC representatives committed to making a reasonable effort to address the situation. Staff met with the owners onsite and for several months provided technical assistance to address the issues and ensure the repairs were made both expeditiously and properly. From September 2006 to January 2007 a total of fourteen (14) site visits were made to the property. Unfortunately, during that time, no progress was made by the owner.

On January 3, 2007, staff met with Dale Scott, co-owner, Moulin Rouge Development Corporation (MRDC) and his attorney Craig Newman with the firm Newman, Morris & Dachelet. During the meeting Mr. Newman indicated that his clients did not want to be landlords and were initiating the process to close the property. Staff provided the owners with technical assistance on how to develop and implement a Tenant Incentive and Relocation Plan. Additionally, staff advised Mr. Scott and Mr. Newman that based on their inability to show any progressive action, a legal notice would be placed on the property and recorded with the County Assessor's Office. A Notice and Order to Make Repairs was issued on January 17, 2007 and recorded on January 23, 2007.

On January 24, 2007, a meeting was held at the request of Dale Scott, (MRDC) to introduce staff to Gary RexRoad, representing Metro Development Group, LLC, as the newest co-owner. This partnership would now be referred to as the Moulin Rouge Properties, LLC. During the meeting, Mr. Scott indicated that Mr. Rexroad was able to secure additional financing, in the amount of \$500,000, to rehab the properties. However, in order for the loan to be approved and escrow to close, the Notice and Order needed to be released. Dan Still, Deputy City Attorney, City of Las Vegas, approved the release of the Notice & Order (N & O) for the purpose of the property owner to secure funding for the property rehabilitation. The N & O was released on January 29, 2007. After the close of escrow, the Notice and Orders was re-recorded on February 9, 2007 with the Clark County Recorder's office. On January 24, 2007, staff assisted the owners in obtaining the necessary permits to begin the renovation. The owner guaranteed that the units would be renovated to minimal livable conditions, in accordance with the violations listed in the N & O, within 90 days. However, the owner failed to uphold their guarantee and the apartments were never renovated.

Since January 2007, eight (8) meetings were held with the owners and/or their designated point of contact. In February an inspection was conducted and "Do Not Occupy" signs were posted on vacant units. From March 6 through April 18, weekly inspections and reinspections were conducted based on the N & O, as detailed in the chart below:

Desert Breeze I

	Inspection	Re-Inspection	Total (per week)
March 7	12	0	12
March 14	7	12	19
March 21	8	19	27
March 28	7	27	34
April 4	1	35	36
April 11	9	36	45
April 18	14	45	59
<b>TOTAL</b>	<b>58</b>	<b>174</b>	<b>232</b>

Within the seven week period, 58 inspections and 174 reinspections were conducted resulting in a combined total of 232 inspections. The next series of inspections are scheduled for May 9, 2007, at 8:30 a.m.

The following summary details the list of violations to date:

HOUSING - Improper use of unit, inadequate ventilation/light, dampness in ceilings, floors, and under cabinets. Overcrowding a room with occupants. Animals in rooms, broken doors, windows, roof leaks from rooms above, faulty weather protection; entry doors, inadequate foundation/sagging floors, & deterioration, inadequate door at bathroom; secure hardware, unsanitary flooring in numerous units, missing or inoperable smoke detectors, defective building service equipment (appliances, motors, compressors), stoves, air conditioner, refrigerators, etc.

ENVIRONMENTAL - Inadequate/missing fire separation between floor or ceiling assemblies, general unsanitary premises, raw sewage, faulty materials of construction, insects, vermin, animal dropping, fire hazard in and around various rooms, prohibited animals.

PLUMBING - Hazardous plumbing, leaking, broken plumbing lines or fixtures, bathroom flooring not water-tight, non-removable anti-siphon devices on hose bibs, lack of proper water closet lavatory bathtub or shower, bathroom floor unsanitary.

ELECTRICAL - Missing electrical covers, hazardous wiring, meters not marked, circuit breakers not marked, install *gfi* receptacles in kitchens, receptacles not to be painted over, combustibles stored too near heating appliance or unapproved connection; plastic bags, cardboard, paper, etc.

SUPPLEMENT: Generic items; screens on windows, inoperable elevator, broken window glass, deteriorated, filthy carpeting, damaged furniture, missing closet doors, hardware for bathroom doors not working/locking properly for privacy, no lights or grease filters or motors in range hood exhausts, damaged drywall on ceilings and walls, broken mirrors in bathrooms, improper fitting lids on toilet tanks, bolt caps missing, insect infestation, broken cabinet doors, damaged cabinet bases, damaged or missing floor tiles, kitchen and/or bathroom porcelain repairs needed, replace 3 1/2 inch drain fittings in kitchen sinks, repair damaged formica countertops, repair walkways that have cracks, repair security lights, install light fixtures.

# **Narrative**

## **DESERT BREEZE II**

*1001 W. McWilliams Avenue*

On September 12, 2006, the city of Las Vegas, Neighborhood Service Department, Neighborhood Response Division received a complaint from a tenant regarding the deplorable living conditions at the Desert Breeze Apartments. In response to the complaint, Combination Inspectors and Code Enforcement Officers, herein referred to as staff, conducted inspections at this location to identify, detect or otherwise resolve certain issues. The Clark County Health Department and the city of Las Vegas Fire Department were also present during the inspections. Upon inspecting the property, multiple code violations were identified including health and safety issues which required immediate attention.

The property's living conditions did not meet the minimal livable standards and many of the units were deemed substandard. Minimal standards include adequate and operable electrical devices, plumbing and smoke detectors to ensure safe and habitable living conditions. The staff observed a blockage in the sewer main allowing fecal matter and water with effluents to backup in the courtyard and some of the units, causing unsanitary conditions. Several units were infested with insects and vermin, such as roaches, bed bugs, and/or rodents. Toilets, sinks, and tubs were inoperable in several of the units preventing tenants from accessing running water. Furthermore, some units were without heat and air conditioning.

On October 11, 2007, staff received a letter from MRDC acknowledging the violations and the timetable for correction. The MRDC representatives committed to making a reasonable effort to address the situation. Staff met with the owners onsite and for several months provided technical assistance to address the issues and ensure the repairs were made both expeditiously and properly. From September 2006 to January 2007 a total of fourteen (14) site visits were made to the property. Unfortunately, during that time, no progress was made by the owner.

On January 3, 2007, staff met with Dale Scott, co-owner, Moulin Rouge Development Corporation (MRDC) and his attorney Craig Newman with the firm Newman, Morris & Dachelet. During the meeting Mr. Newman indicated that his clients did not want to be landlords and were initiating the process to close the property. Staff provided the owners with technical assistance on how to develop and implement a Tenant Incentive and Relocation Plan. Additionally, staff advised Mr. Scott and Mr. Newman that based on their inability to show any progressive action, a legal notice would be placed on the property and recorded with the County Assessor's Office. A Notice and Order to Make Repairs was issued on January 17, 2007 and recorded on January 23, 2007.

On January 24, 2007, a meeting was held at the request of Dale Scott, (MRDC) to introduce staff to Gary RexRoad, representing Metro Development Group, LLC, as the newest co-owner. This partnership would now be referred to as the Moulin Rouge Properties, LLC. During the meeting, Mr. Scott indicated that Mr. Rexroad was able to secure additional financing, in the amount of \$500,000, to rehab the properties. However, in order for the loan to be approved and escrow to close, the Notice and Order needed to be released. Dan Still, Deputy City Attorney, City of Las Vegas, approved the release of the Notice & Order (N & O) for the purpose of the property owner to secure funding for the property rehabilitation. The N & O was released on January 29, 2007. After the close of escrow, the Notice and Orders was re-recorded on February 9, 2007 with the Clark County Recorder's office. On January 24, 2007, staff assisted the owners in obtaining the necessary permits to begin the renovation. The owner guaranteed that the units would be renovated to minimal livable conditions, in accordance with the violations listed in the N & O, within 90 days. However, the owner failed to uphold their guarantee and the apartments were never renovated.

Since January 2007, eight (8) meetings were held with the owners and/or their designated point of contact. In February an inspection was conducted and "Do Not Occupy" signs were posted on vacant units. From March 6 through April 18, weekly inspections and reinspections were conducted based on the N & O, as detailed in the chart below:

#### Desert Breeze II

	Inspection	Re-Inspection	Total (per week)
March 7	6	0	6
March 14	6	5	11
March 21	5	12	17
March 28	5	18	23
April 4	6	22	28
April 11	1	28	29
April 18	4	29	33
<b>TOTAL</b>	<b>33</b>	<b>114</b>	<b>147</b>

Within the seven week period, 33 inspections and 114 reinspections were conducted resulting in a combined total of 147 inspections. The next series of inspections are scheduled for May 9, 2007, at 8:30 a.m.

The following summary details the list of violations to date:

HOUSING - Improper use of unit, inadequate ventilation/light, dampness in ceilings, floors, and under cabinets. Overcrowding a room with occupants. Animals in rooms, broken doors, windows, roof leaks from rooms above, faulty weather protection; entry doors, inadequate foundation/sagging floors, & deterioration, inadequate door at bathroom; secure hardware, unsanitary

flooring in numerous units, missing or inoperable smoke detectors, defective building service equipment (appliances, motors, compressors), stoves, air conditioner, refrigerators, etc.

ENVIRONMENTAL - Inadequate/missing fire separation between floor or ceiling assemblies, general unsanitary premises, raw sewage, faulty materials of construction, insects, vermin, animal dropping, fire hazard in and around various rooms, prohibited animals.

PLUMBING - Hazardous plumbing, leaking, broken plumbing lines or fixtures, bathroom flooring not water-tight, non-removable anti-siphon devices on hose bibs, lack of proper water closet lavatory bathtub or shower, bathroom floor unsanitary.

ELECTRICAL - Missing electrical covers, hazardous wiring, meters not marked, circuit breakers not marked, install *gfc*i receptacles in kitchens, receptacles not to be painted over, combustibles stored too near heating appliance or unapproved connection; plastic bags, cardboard, paper, etc.

SUPPLEMENT: Generic items; screens on windows, inoperable elevator, broken window glass, deteriorated, filthy carpeting, damaged furniture, missing closet doors, hardware for bathroom doors not working/locking properly for privacy, no lights or grease filters or motors in range hood exhausts, damaged drywall on ceilings and walls, broken mirrors in bathrooms, improper fitting lids on toilet tanks, bolt caps missing, insect infestation, broken cabinet doors, damaged cabinet bases, damaged or missing floor tiles, kitchen and/or bathroom porcelain repairs needed, replace 3 1/2 inch drain fittings in kitchen sinks, repair damaged formica countertops, repair walkways that have cracks, repair security lights, install light fixtures.



BRADFORD R. JERBIC  
City Attorney  
Nevada Bar No. 1056  
By: DANIEL A. STILL  
Deputy City Attorney  
Nevada Bar No. 5789  
400 Stewart Avenue, Ninth Floor  
Las Vegas, NV 89101  
(702) 229-6629  
Attorneys for CITY OF LAS VEGAS

DISTRICT COURT  
CLARK COUNTY, NEVADA

\* \* \*

CITY OF LAS VEGAS, a municipal  
corporation,

Plaintiff,

vs.

MOULIN ROUGE PROPERTIES, LLC;  
GREGORY REXROAD, INDIVIDUALLY;  
DALE SCOTT, INDIVIDUALLY,

Defendants.

CASE NO.  
DEPT. NO.

**CONFESSION OF JUDGMENT  
AND AFFIDAVIT OF VERIFICATION**

MOULIN ROUGE PROPERTIES, LLC, GREGORY REXROAD, INDIVIDUALLY,  
and DALE SCOTT, INDIVIDUALLY, Defendants in the above-entitled action, do hereby  
confess judgment therein in favor of the CITY OF LAS VEGAS, NEVADA (hereinafter "City"),  
the Plaintiff in said action for the sum of ONE HUNDRED TWENTY-NINE THOUSAND ONE  
HUNDRED TWENTY AND 00/100 DOLLARS (\$129,120.00). However, in the event of  
default on the (4) scheduled payments outlined below, in the Acknowledgement of Debt and  
Agreement to Pay at pages 6, 7, and 8 hereto; the suspended amount of \$70,000.00 for daily civil  
penalties will be imposed and the City will be entitled to judgment in the amount of \$199,120.00,  
minus any payments already received by the City.

This Confession of Judgment is for a debt just, due and owing to Plaintiff arising out of a  
City Code Enforcement action pursuant to Notice and Orders served on the above-defendants and  
recorded against APN 139-28-703-005 and APN 139-28-703-013 more commonly know as

Submitted at City Council

Date 5/16/07 Item 86 & 87

1 Desert Breeze I and II, in Las Vegas, Nevada. More specifically, this Confession of Judgment is  
2 due and owing to Plaintiff arising out of inspection/reinspection fees and civil penalties for  
3 violations of the Las Vegas Municipal Code more particularly referred to in the Notice and  
4 Orders recorded against the above-referenced properties which are both attached hereto as  
5 Exhibit "1".

6 Defendants MOULIN ROUGE PROPERTIES, LLC; GREGORY REXROAD,  
7 INDIVIDUALLY; DALE SCOTT, INDIVIDUALLY, believe the sum confessed is a reasonable  
8 and just amount owed for the Plaintiff's actual costs incurred and assessed as set forth in the  
9 Reports of Expenses filed with the Las Vegas City Clerk for items 86 and 87 on the Las Vegas  
10 City Council meeting to be held on May 16, 2007. The Reports of Expenses are attached hereto  
11 as Exhibit "2" and made a part hereof by this reference. In addition, the other documents  
12 provided as back-up for Items 86 and 87 on the May 16, 2007, City Council agenda are  
13 incorporated herein by this reference.

14 All Defendants further acknowledge and understand, after advice from counsel, that they  
15 have a right to a trial or hearing on the merits of this claim and that they are waiving any right  
16 thereto and any right to notice of further proceedings in connection with this claim.

17 This Confession of Judgment is made upon the understanding and consideration that the  
18 Plaintiff, CITY OF LAS VEGAS, NEVADA, agrees to be responsible for the preparation and  
19 filing of any and all papers and pleadings connected herewith.

20 This Confession of Judgment will not be filed or recorded unless and until Defendants  
21 fail to make a payment as required hereunder. After all four payments have been made this  
22 unfiled and unrecorded Confession of Judgment and Affidavit of Verification will be returned to  
23 Craig S. Newman, Esq., attorney for Defendants.

24 Defendants hereby authorize the entry of judgment of the aforesaid sum.

25 DATED this 16th day of May, 2007.

26 Dale Scott  
MOULIN ROUGE PROPERTIES, LLC.

27 800 W. Bonanza  
ADDRESS

28 Dale Scott  
DALE SCOTT

800 W. Bonanza  
ADDRESS

GREGORY REXROAD

ADDRESS

AFFIDAVIT OF VERIFICATION

STATE OF NEVADA )  
COUNTY OF CLARK ) ss.

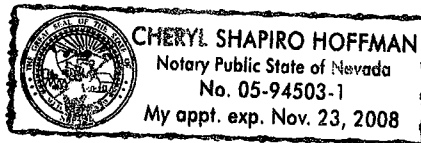
I, DALE SCOTT, in my capacity as Managing Member on behalf of Moulin Rouge Properties, LLC being first duly sworn, depose and say:

That I am the authorized person to sign on behalf of Defendant Moulin Rouge Properties, LLC in the above-entitled action; that I have read the foregoing Confession of Judgment and know the contents thereof, and that the same is true and correct of my own knowledge except as to those matters therein stated on information and belief, and as to those matters, that I believe them to be true.

DATED this 16<sup>th</sup> day of May, 2007.

SUBSCRIBED and SWORN to before me this 16<sup>th</sup> day of May, 2007.

NOTARY PUBLIC



**AFFIDAVIT OF VERIFICATION**

STATE OF NEVADA     )  
                                  ) ss.  
COUNTY OF CLARK    )

I, DALE SCOTT, being first duly sworn, depose and say:

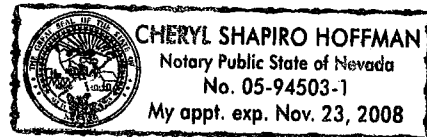
That I am the Defendant in the above-entitled action; that I have read the foregoing Confession of Judgment and know the contents thereof, and that the same is true and correct of my own knowledge except as to those matters therein stated on information and belief, and as to those matters, that I believe them to be true.

DATED this 10 day of May, 2007.

  
DALE SCOTT

SUBSCRIBED and SWORN to before  
me this 10 day of May, 2007.

  
\_\_\_\_\_  
NOTARY PUBLIC



**CITY OF LAS VEGAS**  
**ACKNOWLEDGMENT OF DEBT AND AGREEMENT TO PAY**

I, DALE L. SCOTT, as MANAGING MEMBER, on behalf of MOULIN ROUGE PROPERTIES, LLC (hereinafter "LLC"), hereby acknowledge that the LLC is liable and indebted to the City of Las Vegas, in the amount of ONE HUNDRED NINETY-NINE THOUSAND ONE HUNDRED AND TWENTY AND 0/100 DOLLARS (\$199,120.00). However, in consideration for executing this Confession of Judgment the City has agree to reduce the total payment amount to ONE HUNDRED TWENTY-NINE THOUSAND ONE HUNDRED AND TWENTY AND 0/100 DOLLARS (\$129,120.00), arising out of the following facts: inspection/reinspection fees and civil penalties for violations of various sections of the City's International Building Code, Health Code, Nuisance Code, Fire Code, Plumbing Code, Electrical Code and International Mechanical Code as more specifically outlined in the Notice and Orders attached hereto as Exhibit "1" from January 23, 2007 to May 16, 2007.

The LLC agrees to pay the \$129,120.00 to the City of Las Vegas, Nevada, Department of Finance and Business Services at 400 Stewart Avenue, Las Vegas, Nevada, 89101, in four (4) equal installment payments of THIRTY-TWO THOUSAND TWO HUNDRED AND EIGHTY AND 0/100 DOLLARS (\$32,280.00) with the first payment due on June 1, 2007, and the three additional payments to be made on July 2, 2007, August 1, 2007 and September 4, 2007 respectively. The LLC understands and agrees that should default occur in making any of the above-referenced equal payments according to the schedule set forth above that legal action will be taken against it under this Confession of Judgment for the entire balance due and owing of \$199,120.00.

Dale L. Scott as Managing Member  
SIGNATURE, TITLE

800 W. Bonanza  
CURRENT RESIDENCE

(702) 631-0381  
TELEPHONE NUMBER

**CITY OF LAS VEGAS**  
**ACKNOWLEDGMENT OF DEBT AND AGREEMENT TO PAY**

I, DALE SCOTT, hereby acknowledge that I am individually liable and indebted to the City of Las Vegas, in the amount of ONE HUNDRED NINETY-NINE THOUSAND ONE HUNDRED AND TWENTY AND 0/100 DOLLARS (\$199,120.00). However, in consideration for executing this Confession of Judgment the City has agree to reduce the total payment amount to ONE HUNDRED TWENTY-NINE THOUSAND ONE HUNDRED AND TWENTY AND 0/100 DOLLARS (\$129,120.00), arising out of the following facts: inspection/reinspection fees and civil penalties for violations of various sections of the City's International Building Code, Health Code, Nuisance Code, Fire Code, Plumbing Code, Electrical Code and International Mechanical Code as more specifically outlined in the Notice and Orders attached hereto as Exhibit "1" from January 23, 2007 to May 16, 2007.

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Dale P. Scott  
SIGNATURE

800 W. Bonanza  
CURRENT RESIDENCE

(702) 631-0381  
TELEPHONE NUMBER

1 violations of the Las Vegas Municipal Code more particularly referred to in the Notice and  
2 Orders recorded against the above-referenced properties which are both attached hereto as  
3 Exhibit "1".

4 Defendants MOULIN ROUGE PROPERTIES, LLC; GREGORY REXROAD,  
5 INDIVIDUALLY; DALE SCOTT, INDIVIDUALLY, believe the sum confessed is a reasonable  
6 and just amount owed for the Plaintiff's actual costs incurred and assessed as set forth in the  
7 Reports of Expenses filed with the Las Vegas City Clerk for items 86 and 87 on the Las Vegas  
8 City Council meeting to be held on May 16, 2007. The Reports of Expenses are attached hereto  
9 as Exhibit "2" and made a part hereof by this reference. In addition, the other documents  
10 provided as back-up for Items 86 and 87 on the May 16, 2007, City Council agenda are  
11 incorporated herein by this reference.

12 All Defendants further acknowledge and understand, after advice from counsel, that they  
13 have a right to a trial or hearing on the merits of this claim and that they are waiving any right  
14 thereto and any right to notice of further proceedings in connection with this claim.

15 This Confession of Judgment is made upon the understanding and consideration that the  
16 Plaintiff, CITY OF LAS VEGAS, NEVADA, agrees to be responsible for the preparation and  
17 filing of any and all papers and pleadings connected herewith.

18 Defendants hereby authorize the entry of judgment of the aforesaid sum.

19 DATED this \_\_\_\_\_ day of May, 2007.

20  
21 \_\_\_\_\_  
MOULIN ROUGE PROPERTIES, LLC.

22 \_\_\_\_\_  
23 ADDRESS

24 \_\_\_\_\_  
DALE SCOTT

25 \_\_\_\_\_  
26 ADDRESS  
27  
28

*Gregory Rexroad*  
\_\_\_\_\_  
GREGORY REXROAD  
*8100 W. Sahara Ave*  
\_\_\_\_\_  
ADDRESS

**AFFIDAVIT OF VERIFICATION**

STATE OF NEVADA )

COUNTY OF CLARK ) ss.

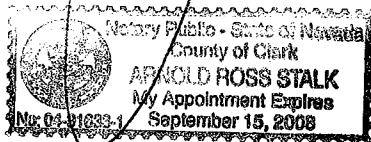
I, GREGORY REXROAD, being first duly sworn, depose and say:

That I am the Defendant in the above-entitled action; that I have read the foregoing Confession of Judgment and know the contents thereof, and that the same is true and correct of my own knowledge except as to those matters therein stated on information and belief, and as to those matters, that I believe them to be true.

DATED this 16 day of May, 2007.

SUBSCRIBED and SWORN to before  
me this 15th day of May, 2007.

NOTARY PUBLIC



Gregory Rexroad  
GREGORY REXROAD



**CITY OF LAS VEGAS**  
**ACKNOWLEDGMENT OF DEBT AND AGREEMENT TO PAY**

I, GREGORY REXROAD, hereby acknowledge that I am individually liable and indebted to the City of Las Vegas, in the amount of ONE HUNDRED NINETY-NINE THOUSAND ONE HUNDRED AND TWENTY AND 0/100 DOLLARS (\$199,120.00). However, in consideration for executing this Confession of Judgment the City has agreed to reduce the total payment amount to ONE HUNDRED TWENTY-NINE THOUSAND ONE HUNDRED AND TWENTY AND 0/100 DOLLARS (\$129,120.00), arising out of the following facts: inspection/reinspection fees and civil penalties for violations of various sections of the City's International Building Code, Health Code, Nuisance Code, Fire Code, Plumbing Code, Electrical Code and International Mechanical Code as more specifically outlined in the Notice and Orders attached hereto as Exhibit "1" from January 23, 2007 to May 16, 2007.

I agree to pay the \$129,120.00 to the City of Las Vegas, Nevada, Department of Finance and Business Services at 400 Stewart Avenue, Las Vegas, Nevada, 89101, in four (4) equal installment payments of THIRTY-TWO THOUSAND TWO HUNDRED AND EIGHTY AND 0/100 DOLLARS (\$32,280.00) with the first payment due on June 1, 2007, and the three additional payments to be made on July 1, 2007, August 1, 2007 and September 1, 2007 respectively. I understand and agree that should default occur in making any of the above-referenced equal payments according to the schedule set forth above that legal action will be taken against me under this Confession of Judgment for the entire balance due and owing of \$199,120.00.

Gregory Rexroad  
SIGNATURE

8100 W. Sahara  
CURRENT RESIDENCE

702-251-9214  
TELEPHONE NUMBER